



**Opposition to Senate Concurrent Resolution 9**  
**– Testimony, House Oversight, Reform, and**  
**Ethics Committee 3/14/2011**

Good afternoon. My name is Jay Kaplan and I am a staff attorney with the ACLU of Michigan, and am here to speak out against SCR 9, which would rescind the action of the Michigan Civil Service Commission providing health insurance benefits for designated other individuals of state union employees. This benefit was collectively bargained for in good faith by state employee unions and the State of Michigan, and rescinding this provision would not only nullify an essential part of this labor contract, but serve to undermine the ability of both workers and management to rely on the collective bargaining process.

The proponents behind this resolution maintain that providing these benefits would be too costly in a time when the State of Michigan is in economic crisis. What these proponents fail to recognize is that there are economic benefits to providing these health insurance benefits. By recognizing the diversity of the state workforce we are also investing in attracting and retaining the best and the brightest talent in Michigan. The large majority of the Fortune 500 companies, including the Big Three- GM, Ford and Chrysler have all provided health insurance benefits to domestic partners of employees, not just out of benevolence, but because they know it makes economic sense. Studies show that companies that provide support for the diversity of their workforce are able to compete best when it comes to recruiting talent and entrepreneurship.

A significant number of public entities, including the majority of our state universities; the counties of Ingham and Washtenaw; the cities of Ann Arbor and Kalamazoo; the school districts of Birmingham, Farmington, and Ann Arbor currently provide health insurance benefits to designated others of employees. They have discovered, consistent with research done by the Williams Institute, that the provision of these benefits has resulted in an increase of less than 1 percent to their overall budget and that the number of employees who actually utilize this benefit is usually less than 2 percent. A number of reasons may account for these low figures, including that their significant other may already have health insurance, and the fact that unlike health insurance for married spouses, insurance for designated others is considered to be taxable income. Nevertheless, all of these public employers view the provision of this benefit as an important investment in the stability of its work force and in demonstrating fairness and equality.

If Michigan is truly interested in changing its economic landscape to attract new businesses and entrepreneurs with creative ideas, it needs to look at what both the private sector and other public employers have discovered. Valuing and supporting the diversity of the workplace attracts talent. Richard Florida's work regarding the Cities and States that are doing the best economically actually cites the provision of health insurance benefits to employee's diverse families as one of the key elements to attracting creative people with ideas and talent to these geographic areas.

What the Michigan Civil Service did was a good thing, a fair thing, and in addition to its minimal cost, it makes economic good sense. Let's not take another step backward in our state on the road to economic recovery.